

# Walgreens wins a majority stake in home health company as Amazon, CVS beef up home care offerings

Article

**The news:** Walgreens completed its majority stake investment in home health platform CareCentrix.

- Walgreens invested **\$330 million** and now **owns a 55% stake** with the option to raise its stake.

**Here's how CareCentrix works:** It provides patients a network of home providers, while its analytics platform helps care teams better coordinate.

CareCentrix's analytics platform, **HomeBridge**, creates one place for care teams to access, analyze, and collect patient data.

- This alleviates common care barriers like poor coordination between healthcare providers and an inability to effectively collect social determinants of health data.
- Better care coordination after hospital discharge directly affects health outcomes. **More than half (53%) of patients say they've experienced medication errors and discrepancies** after leaving the hospital due to poor communication with providers.

**What CareCentrix means for Walgreens and competitors:** The investment will help Walgreens amp up its healthcare strategy in two key ways:

### **1. CareCentrix will expand Walgreens' patient reach beyond its clinics.**

Last year, Walgreens said its investment in retail clinic partner **VillageMD** would help it open 1,000 VillageMD clinics next by 2027. The next natural step would be for Walgreens to complement its in-person care with home care services. Especially since CareCentrix already comes with a built-in patient pool. It manages care for **19 million individuals across 7,400 provider locations**, per Walgreens.

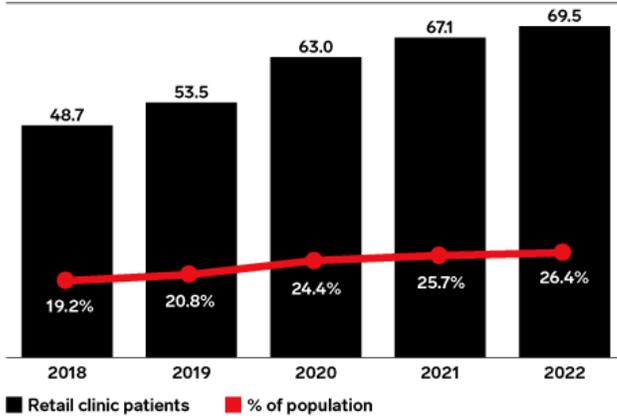
### **2. Walgreens gains a competitive edge against CVS and Amazon.**

Both CVS and Amazon exhibited an interest in home healthcare over the past year. In fact, over the past month, the duo separately approached home healthcare company **Signify Health** as a potential acquisition target.

- Since competitors like CVS and Amazon have their eyes set on home care, Walgreens' latest CareCentrix investment will ensure it's getting the most bang for its buck.
- CareCentrix will play a "critical role" in managing Walgreens' post-acute spending and outcomes, according to the retail giant.

## US Retail Clinic Patients, 2018-2022

millions and % of population



Note: ages 18+; adults who visit retail clinics in-person at least once during the calendar year; examples include CVS MinuteClinic, Walgreens Healthcare Clinic, Kroger's The Little Clinic, Walmart Care Clinic, etc.  
Source: Insider Intelligence, Jan 2021

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[InsiderIntelligence.com](https://www.insiderintelligence.com)